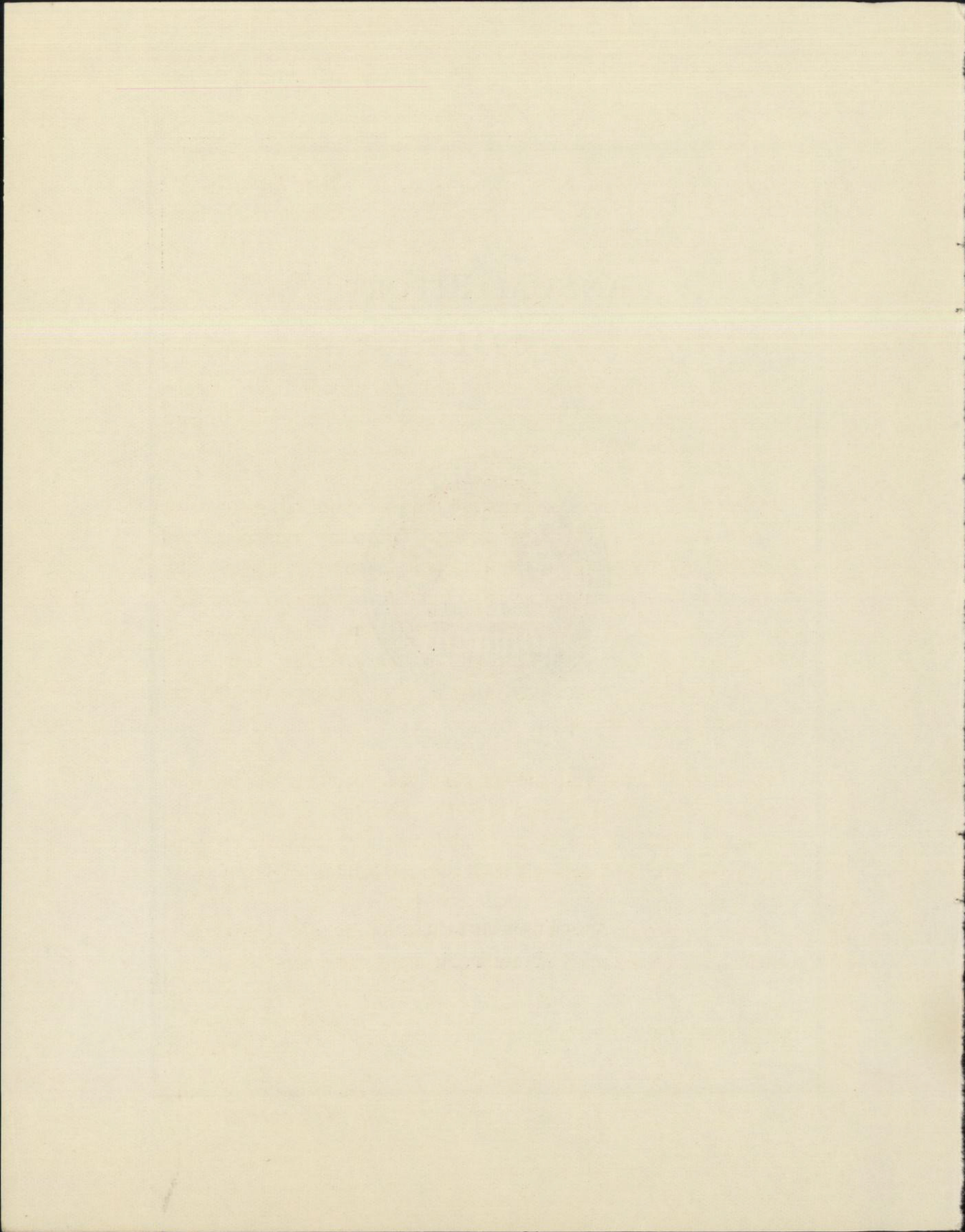


ANNUAL REPORT

1932



WOOLWORTH BUILDING
New York



New York, N. Y.
February 27, 1933.

TO THE STOCKHOLDERS:

The consolidated balance sheet, earnings statement and surplus account of The Grand Union Company showing the result of operations for the year 1932 is herewith submitted.

After deducting depreciation, taxes and all other charges as well as new business development expenses (formerly capitalized) of \$113,558., the net profit for the fiscal year amounted to \$602,187.13. Total sales for the year were \$30,365,932., compared with \$35,640,225. in 1931, of which green coffee jobbing sales amounted to \$669,146. compared with \$382,646. in the preceding year. We estimate that lower commodity prices account for approximately the whole decline in dollar sales.

At the end of the year the company was operating 685 branches compared with 708 at the end of 1931. Our ratio of current assets to current liabilities is 5.43 to 1, and cash and securities on hand is in excess of the company's total current liabilities.

The management is confident that the company is in a position to benefit substantially upon the return of more stable conditions.

J. SPENCER WEED,
President.

ASSETS

Current assets:

Cash in banks and on hand	\$ 908,189.44	
New York State notes, at cost (lower than market value)	100,000.00	\$ 1,008,189.44
Accounts receivable, less allowances:		
Trade and miscellaneous	\$ 865,747.20	
Advances to agents	27,401.58	893,148.78
Inventories of merchandise, materials and supplies, at cost (not in excess of market)		2,975,419.61
Premiums advanced to customers, net of profit sharing credits, at cost	\$ 471,620.91	
Less, Allowance for losses	46,218.85	425,402.06
Prepaid expenses		77,467.89
Cash surrender value of officer's life insurance		22,112.75
Total current assets		\$ 5,401,740.53
Employees' fidelity fund cash and investments at approximate market values		7,083.64
Investments, at cost (market values not generally ascertainable)		53,906.63
Real estate, at cost		382,304.21
Machinery, fixtures and equipment, at cost	\$3,318,057.31	
Less, Allowances for depreciation	963,178.57	2,354,878.74
Good will, etc.		5,285,527.09
Deferred charges to operations		5,877.28

\$13,491,318.12

THE GRAND UNION COMPANY,
New York, New York.

We have examined the accounts of THE GRAND UNION COMPANY and in our opinion, the above balance sheet and appended income and surplus accounts set forth the results of their operations for the year then ended.

New York, February 23, 1933.

ION COMPANY

IDIARIES

ALANCE SHEET

1, 1932

LIABILITIES

Current liabilities:

Bankers' acceptances secured by coffee imports	\$	97,247.39
Accounts payable		798,239.00
Accrued expenses		35,217.04
Provision for federal income tax		63,268.47

Total current liabilities	\$	993,971.90
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Employees' fidelity deposits	40,502.35
Mortgages on real estate	22,500.00
Reserve for unredeemed premium tickets	50,000.00
Miscellaneous reserves	5,352.70
Minority stockholders of subsidiary company	6,321.16

\$ 1,118,648.11

Note: The company is contingently liable for a nominal amount of unused balances of letters of credit.

CAPITAL

Capital stock:

Convertible preference stock without par value,
entitled to \$60 per share on redemption or
in liquidation:

Authorized 500,000 shares

Outstanding 159,550 shares of \$3 dividend
series

\$7,977,500.00

Common stock without par value:

Authorized 750,000 shares

Voting trust certificates out-
standing for 279,967

shares \$1,033,816.00

Less, In treasury, voting
trust certificates for

100 shares, at cost:	407.50	1,033,408.50
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\$9,010,908.50

Surplus, as annexed	3,361,761.51	12,372,670.01
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\$13,491,318.12

Subsidiaries as at December 31, 1932 and, on the basis stated therein, in our
the consolidated financial condition of the companies at that date and the

LYBRAND, ROSS BROS. & MONTGOMERY

for the year ended December 31, 1932

Sales											\$30,365,932.67
Cost of sales											22,263,939.58
Gross profit											\$ 8,101,993.09
Selling and general expenses:											
Store expenses, salaries of clerks, managers and superintendents and other expenses										\$6,300,869.31	
General expenses, including allowance for federal income tax										768,915.68	
Depreciation of distributing equipment, etc.										333,165.80	7,402,950.79
Profit from operations											\$ 699,042.30
Miscellaneous income, interest, etc.											16,703.09
Net income, before deducting development expenses											\$ 715,745.39
Expenses in connection with development of new retail outlets											113,558.26
Note: Development expenses were previously added to good will. No such additions to good will have been made since 1930.											
Net income											\$ 602,187.13

December 31, 1932

Initial surplus, balance January 2, 1932 and December 31, 1932			\$ 904,290.62
Capital surplus:			
Balance, January 2, 1932		\$ 773,672.06	
Add:			
Excess of declared value at which originally issued over cost of preference shares purchased and retired	\$ 41,535.00		
Excess of selling price over cost of common shares purchased and resold	665.00		
	\$ 42,200.00		
Deduct, Good will of stores purchased during year, written off	8,632.09	33,567.91	
Balance, December 31, 1932			807,239.97
Earned surplus:			
Balance, January 2, 1932		\$1,653,191.23	
Add, Net income for the year ended December 31, 1932		602,187.13	
Deduct:		\$2,255,378.36	
Loss on obsolete furniture and fixtures disposed of and unamortized balances of leasehold improvements in closed stores	\$123,797.44		
Dividends paid on preference stock	481,350.00	605,147.44	
Balance, December 31, 1932			1,650,230.92
Total surplus, December 31, 1932			\$ 3,361,761.51

OFFICERS

J. SPENCER WEED
President

LANSING P. SHIELD
Vice-President

LOUIS C. WADMOND
Vice-President

O. B. WESTPHAL
Vice-President

WILLIAM C. McFEELY
Secretary

SAMUEL WINOKUR
Treasurer



DIRECTORS

RALPH T. CRANE

JOHN FOSTER DULLES

RAY MORRIS

JOHN W. PRENTISS

J. SPENCER WEED

